

AGENDA

Herefordshire Schools Forum

Date: **Friday 21 October 2016**

Time: **9.30 am**

Place: **Council Chamber, The Shire Hall, St. Peter's Square,
Hereford, HR1 2HX**

Notes: Please note the **time, date** and **venue** of the meeting.

For any further information please contact:

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Agenda for the Meeting of the Herefordshire Schools Forum

Membership

Chairman	Mrs J Rees	Local Authority Maintained Primary School
Vice-Chairman	Mrs S Catlow-Hawkins	Secondary Maintained Schools
	Mrs S Bailey	Special Schools
	Mr P Barns	Pupil Referral Unit
	Mrs W Bradbeer	Academies
	Mr P Burbidge	Roman Catholic Church
	Mrs J Cohn	Special School Governor Representative
	Mr A Davies	Academies
	Mr P Deneen	Trade Union Representative
	Mr J Docherty	Academies
	Mr T Edwards	Local Authority Maintained Primary School Governor
	Mr M Farmer	Academies
	Mr J Godfrey	16-19 provider representative
	Mr NPJ Griffiths	Academies
	Ms A Jackson	Early Years Representative
	Mrs L Johnson	Local Authority Maintained Secondary School Governor
	Mr T Knapp	Academies
	Ms T Kneale	Locally Maintained Primary School (Nursery)
	Mr C Lewandowski	Trade Union Representative
	Mr M Lewis	Local Authority Maintained Primary School
	Mrs S Lines	Church of England
	Mrs R Lloyd	Early Years Representative
	Mrs M Stevens	Local Authority Maintained Primary School
	Mrs K Weston	Local Authority Maintained Primary School
	Mr P Whitcombe	Academies
	Mr K Wright	Local Authority Maintained Primary School

AGENDA

	Pages
1. NAMED SUBSTITUTES (IF ANY) To receive any details of Members nominated to attend the meeting in place of a Member of the Forum.	
2. APOLOGIES FOR ABSENCE To receive apologies for absence.	
3. DECLARATIONS OF INTEREST To receive any declarations of interest by Members in respect of items on the Agenda.	
4. ELECTION OF CHAIRMAN To elect a Chairman for the ensuing year.	
5. ELECTION OF VICE-CHAIRMAN To elect a Vice-Chairman for the ensuing year.	
6. MINUTES To approve and sign the minutes of the meeting held on 15 April 2016.	5 - 8
7. ELECTION OF CHAIRMAN OF THE BUDGET WORKING GROUP To elect a Chairman of the Budget Working Group for the ensuing year.	
8. BUDGET WORKING GROUP To consider the report of the Budget Working Group on the following matters: consultation proposals for the 2017/18 schools budget; maintained schools five year budget planning; the government's early years funding consultation; dedicated schools grant outturn for 2015/16 and a funding bid for social, emotional and mental health work with NEETS (young people not in education, employment or training); and five maintained schools which are in excess of the 25% balance cap.	9 - 30
9. LOOKING TO THE FUTURE - INTERIM PROPOSALS To update Schools forum on the interim proposals from the Task and Finish Groups and to refer them to the Budget Working Group and the Education Strategic Board for comments in accordance with the terms of reference.	31 - 56
10. MEMBERSHIP OF SCHOOLS FORUM To review the membership of the Schools Forum and the Budget Working Group.	57 - 60
11. WORK PROGRAMME To consider the Forum's work programme.	61 - 62

12. MEETING DATES

The following meeting dates have been scheduled:

- 2 December 2016 (9.30 am)
- 13 January 2017 (9.30 am)
- 10 March 2017 (9.30 am)

HEREFORDSHIRE COUNCIL

MINUTES of the meeting of Herefordshire Schools Forum held at Council Chamber, The Shire Hall, St. Peter's Square, Hereford, HR1 2HX on Friday 15 April 2016 at 2.00 pm

Present: **Mrs J Rees (Local Authority Maintained Primary School) (Chairman)**
 Mrs S Catlow-Hawkins (Secondary Maintained Schools) (Vice Chairman)

Mrs S Bailey	Special Schools
Mr P Barns	Pupil Referral Unit
Mrs W Bradbeer	Academies
Mrs J Cohn	Special School Governor Representative
Mr A Davies	Academies
Mr J Docherty	Academies
Mr T E Edwards	Local Authority Maintained Primary School Governor
Mr M Farmer	Academies
Mr A Hubble	Academies
Ms A Jackson	Early Years Representative
Mr T Knapp	Academies
Mr C Lewandowski	Trade Union Representative
Mr M Lewis	Local Authority Maintained Primary School
Mrs K Weston	Local Authority Maintained Primary School
Mr K Wright	Local Authority Maintained Primary School

233. APOLOGIES FOR ABSENCE

Apologies were received from Mr P Burbidge, Mr N Griffiths, Mrs L Johnson, Mrs S Lines, Mrs A Pritchard, Mrs M Stevens and Mr P Whitcombe, and from Councillor JG Lester (Cabinet Member – Young People and Children’s Services).

234. NAMED SUBSTITUTES

Mr A Hubble substituted for Mr N Griffiths.

Mrs W Priday attended as an observer on behalf of Mr Edwards.

235. DECLARATIONS OF INTEREST

There were no declarations of interest.

236. MINUTES

It was noted that Mr T Edwards had been present at the meeting in January but this had not been recorded.

In relation to Minute no 230 the School Finance Manager reported that the Secretary of State had approved funding of the multi-agency support hub posts from the Dedicated Schools Grant for 2016/17 only. The implication was that a Service Level Agreement would be required to fund these posts in 2017/18.

RESOLVED: That the Minutes of the meeting held on 15 January 2016, as amended, be confirmed as a correct record and signed by the Chairman.

237. SCHOOLS NATIONAL FUNDING FORMULA AND HIGH NEEDS FUNDING REFORM

The Forum considered the draft response to the government consultation on the schools national funding formula and high needs funding reform which had been prepared to reflect the joint views of the council and schools forum.

The assistant director – education and commissioning introduced the report and commented on the local authority's wish that it would be possible to agree a unified response to the consultation papers with the Forum.

The school finance manager explained that the consultation was the first stage of the consultation process on funding reform and looked at the principles that should underpin a fair funding formula. The second stage would set out the proposed national formulae and illustrate the impact on schools. The timescale was tight if the Budget Working Group was to be able to consider the proposed new national formula to inform the preparation of a consultation paper for Herefordshire Schools in September including the new funding values.

The Forum considered the draft responses to the two consultation papers as appended to the report.

The Forum indicated its broad support for the proposed responses whilst inviting the local authority to consider in relation to bullet point 6 of the statement at the start of the schools national funding formula response making reference to local authority powers; in relation to question 2 making greater reference to the importance of the local context, and clarifying that the answer to question 24 was “no”; and in relation to the high needs funding formula response inviting the local authority to consider in relation to question 4 making reference to the need to consider significant behavioural needs.

RESOLVED: That:

- a) **jointly with the council, schools forum welcomes the introduction of a national school funding formula that will ensure schools and Herefordshire receive fair funding and wishes to see implementation as soon as practicable and no later than the proposed April 2019;**
- b) **within the context of (a) above the Forum agrees the detailed responses to the questions 1-25 as set out in the DfE's schools national funding formula consultation paper, whilst inviting the local authority to consider in relation to bullet point 6 of the statement at the start of the schools national funding formula response making reference to local authority powers; in relation to question 2 making greater reference to the importance of the local context, and clarifying that the answer to question 24 was “no”;**
- c) **within the context of (a) above agrees the detailed responses to the questions 1-14 as set out in the DfE's high needs funding formula and other reforms consultation paper whilst inviting the local authority to consider in relation to question 4 making reference to the need to consider significant behavioural needs; and**
- d) **the joint response be submitted by the 17 April 2016 closing date.**

238. BUDGET WORKING GROUP

The Forum considered the report of the budget working group (BWG) on the following matters: summary of school budget proposals and special school funding.

Mrs S Catlow-Hawkins introduced the report on behalf of the Chairman of the BWG and thanked members of the Group and supporting officers for their work.

The School Finance Manager presented the report, highlighting in relation to school budget plans the summaries of common budgetary issues and possible solutions at paragraphs 7&8 of the report.

He also noted the BWG's discussion of the concerns over special school funding and the further consideration the BWG planned to give to the issue.

The Forum acknowledged the budgetary issues and solutions identified. It was noted that not all schools had replied to an invitation to submit outline action plans and savings proposals to the BWG. The Forum supported extending and publicising the offer of support to schools who had not replied, providing them with an opportunity to discuss any financial concerns they might have.

RESOLVED: That:

- a) **the Herefordshire Association of Secondary Headteachers and the primary heads forum be asked to make the offer of further support to those schools who have not responded and to extend the offer by a direct communication to schools through the Spotlight schools briefing;**
- b) **the support provided should also include educational support through a colleague headteacher e.g. a National Leader of Education in addition to the support offered by the schools finance manager; and**
- c) **in accordance with principle six of the schools capital investment strategy, officers be asked to make contact with the relevant schools and in particular those schools with a deteriorating financial position.**

239. WORK PROGRAMME

The Forum considered its work programme.

The School Finance Manager commented that issues to be considered in June and July were dependent on the the DfE publishing the stage two consultation papers on the implementation of the national school funding formula. Without the DfE consultation proposals the meetings would be unable to proceed.

RESOLVED: That the work programme be noted.

240. MEETING DATES

Noted.

The meeting ended at 3.05 pm

CHAIRMAN



Meeting:	Schools forum
Meeting date:	21 October 2016
Title of report:	Budget working group
Report by:	School finance manager

Classification

Open

Key decision

This is not an executive decision.

Wards affected

Countywide.

Purpose

To consider the report of the budget working group (BWG) on the following matters:

- Consultation proposals for the 2017/18 schools budget;
- Maintained schools five year budget planning;
- The government's early years funding consultation;
- Dedicated schools grant (DSG) outturn for 2015/16 and a funding bid for social, emotional and mental health work with NEETS (young people not in education, employment or training);
- Five maintained schools which are in excess of the 25% balance cap

Recommendation(s)

THAT:

- a) **all schools be asked to set a balanced budget by March 2021 and a joint letter from the schools forum and director for children's wellbeing, should be sent to schools in line with previous 'looking to the future' letters;**
- b) **that the DSG outturn for 2015/16 be noted and in particular that without the one-off £335k rates funding, DSG would have been £60k overspent**

Further information on the subject of this report is available from Malcolm Green, school finance manager, on Tel (01432) 260818

and that subject to (c) below the balances be carried forward to support future years DSG;

- c) the £30k bid for SEMH (social emotional mental health) funding for NEETS for 2016/17 be approved as a one off sum in view of the pressure on high needs budgets;and
- d) It is noted that a report on special schools funding would be submitted to the BWG
- e) no further action be taken in relation to those schools previously in excess of the 25% balance cap given the progress made and the forecast budget pressures faced by schools in the medium term.

Alternative options

- 1 No alternative options were proposed by the BWG. Further work on the 2017/18 schools budget will consider options as the national school funding formula proposals are developed for the schools forum in January 2017.

Reasons for recommendations

- 2 The BWG has no decision making powers and reports to the schools forum for consideration of any recommendations and proposals that it believes warrant further action.

Key considerations

National School Funding Proposals / National Funding Formula

- 3 No further information had been received from the Department for Education (DfE) following the stage 1 consultation exercise in March 2016, relating to the National Funding Formula. The stage 2 school funding consultation is now expected in autumn 2016. Hence the budget proposals for 2017/18 are an interim measure intended to maintain financial stability prior to consideration of the government's detailed proposals for future years. The BWG was advised It would be counter-productive to make changes at this stage that would potentially need to be undone. This means that for 2017/18 school budgets will only change if pupil numbers change. The BWG was informed that draft budgets would be circulated to schools to support the consultation papers.

Education Services Grant (ESG)

- 4 The BWG was informed that government had announced a cut in the ESG given to all local councils to fund statutory education duties. For Herefordshire Council, this meant a reduction of £1.1million. There would be a similar reduction for academies, although some protection would be offered unlike for the local council. The grant as it stood was not sufficient to fund the council's statutory duties. A cut of £1.1m could not be made without an impact on services.
- 5 The ESG savings proposals are set out at section 5.10 of the schools budget consultation paper for 2017/18, which is attached as appendix 1.

Further information on the subject of this report is available from Malcolm Green, school finance manager, on Tel (01432) 260818

1. £600k reduction in the council's corporate services and in education and commissioning services
 2. £200k school redundancies for maintained schools either to be:
 - a. charged directly to the maintained schools that incur them; or
 - b. top sliced from maintained schools budgets to be retained by the council to meet costs
 3. £200k budget top slice of £15 per pupil for maintained schools only to support effective school management and cover statutory duties carried out by the council
 4. £200k service level agreement (SLA) proposals for all schools, covering safeguarding and pupil wellbeing, including data analysis
- 6 The BWG was informed that the ESG cut had to be viewed in the context of a situation where the council itself was seeking to make further budget savings of £23m over the next three years. The proposals involved a shared approach by the council and schools with a reduction in the council's corporate services and education and commissioning services, some savings from maintained schools budgets and some from all school budgets.
- 7 The BWG discussed the following principal points:
- It was noted that proposal 4 in relation to safeguarding and pupil wellbeing provided for support for the Multi Agency Safeguarding Hub (MASH). The alternative to an SLA was to purchase services at a consultancy rate. This was not considered to be as effective as the MASH, which appeared to command the support of schools.
 - It was suggested that reports should be made to the BWG on the actions being taken by other local councils and de-delegation including a value for money statement.
 - The proposals were considered to present a responsible and reasonable balance between making cuts, protecting essential services and charging schools. However, any better ideas would be gratefully received. Question 3 in the consultation paper specifically invited those who disagreed with the proposals to suggest practical alternatives.
 - Views were also sought on how the proposals could best be explained to other headteachers and governing bodies. In response, it was suggested that this would be best done via Herefordshire Association of Secondary Headteachers and the primary heads forum.
 - Reference should be made in the consultation document to the position of academies to demonstrate that they were not immune from financial pressures, were subject to different requirements, for example they already had to fund redundancies themselves, and were held to account by the Education Funding Agency.

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- It was suggested the consultation paper should be expanded to include options around funding redundancies including carry forward arrangements for any overspend or underspend. To date the DfE has provided no clarity on this point but stated that local councils could top slice with the agreement of the schools forum.
- No consultation meeting with schools was required at this stage, but some would be arranged to discuss DfE stage 2 national funding proposals when published.
- It was noted that if agreement could not be reached with schools, the matter would ultimately have to be referred to the Secretary of State, although plainly it was hoped that such a step would be avoided.

Early years

- 8 The BWG expressed disappointment that under the government's new proposals the council would receive an increase of only 25p per hour on the current allocation. This moved the council from being the 16th lowest funded area to the second lowest, with only Shropshire receiving less funding.
- 9 It was of particular concern that this outcome suggested that the council may not benefit from additional funding following the introduction of the National Schools Funding Formula, to the extent that had been expected. Given the methodology used for the early years formula is the same as that proposed for the schools formula, it was not considered that there were grounds to challenge the DfE's methodology and the council's intention was to contribute to the f40s consultation response.
- 10 An early years representative commented that the funding did not cover the costs of providing a service and this is particularly true for the extension to 30 hours, as there will be no opportunity to charge top-up fees. The importance of all early years providers responding to the current consultation exercise was emphasised.
- 11 It was noted that proposals for the use of the early years underspend, which had arisen as a result of a lower than expected take up of additional government grant for places for two year olds, would be made to the schools forum in October.

Maintained schools five year budget projections

- 12 The BWG received a presentation on the five year budget projections for maintained schools. The analysis showed that half of the 65 maintained schools would be in deficit by March 2021. Action was required for September 2017 to correct this situation. It was the council's view that on the whole the difficulties schools faced were not considered to be a result of a lack of awareness and planning.
- 13 In discussion, the BWG was advised that academies were facing a similar situation. However, it was commented that their budgets were subject to closer scrutiny by the Education Funding Agency.
- 14 A concern was expressed that the financial modelling was open to misuse in that the entry of unrealistic pupil numbers into the model could show a balanced budget where in reality one did not exist. This was considered not to be a big risk, as there

was a rolling programme of audits and the finance team monitored budget plans closely and were taking action as necessary.

- 15 There was support for a further letter to schools highlighting the issues and containing case studies for a range of school sizes to highlight the perilous financial situation a number of schools faced and the stability that others could demonstrate. However, the letter should clearly stand out from the predecessor letters to ensure that it received attention and schools took the necessary action.

Agreed to recommend to the schools forum

That all schools are asked to set a balanced budget by March 2021 and a joint letter from the schools forum and director for children's wellbeing should be sent to schools in line with previous looking to the future letters.

Dedicated Schools Grant (DSG) Outturn 2015/16 and bid for funding

- 16 There was a DSG underspend of £275k for 2015/16. However, without the one-off £335k rates funding, DSG would have been £60k overspent. With the exception of an allocation of £30k, which Herefordshire Council wishes to use to support the existing SEMH (social emotional mental health) project at The Brookfield School and Specialist College for a further year, BWG accepted that the underspend sum should be retained to support future pressures on the DSG. It was noted that budget plans were available for three special schools and that two of these schools were predicting deficits and that a report would need to be prepared on funding options for the future.

Agreed to recommend to the schools forum

(a) that the DSG outturn for 2015/16 be noted and in particular that without the one-off £335k rates funding, DSG would have been £60k overspent and that subject to b) below the balances be carried forward to support future years DSG as minuted.

b) to approve the £30k bid for SEMH (social emotional mental health) funding for NEETS for 2016/17, as a one off sum in view of the pressure on high needs budgets.

(c) it be noted that a report on special schools funding would be submitted to the BWG.

Maintained school balances – to report on the 25% balance cap

- 17 The BWG was informed that five maintained schools currently exceed the 25% balance cap. However, this was by a very small amount for three schools and the other two schools had included capital in their revenue balances and were committed to pending capital schemes. In view of the financial pressure on schools the BWG accepted that no further action be taken.

Agreed to recommend to the schools forum

That no further action is necessary given the progress made by those schools previously in excess of the 25% balance cap and the forecast budget pressures faced by schools in the medium term.

- 18 Further to a survey of high needs expenditure by the f40 group, the BWG noted the relatively good position of Herefordshire in addressing high needs funding pressures by comparison with other f40 council areas. The survey was to be sent by f40 to the Secretary of State.

Community impact

19. Increasingly school and education funding is directed by government and the opportunity to consult with schools and the wider community is significantly reduced. Consideration of the impact on communities in Herefordshire is being undertaken at a national government level.

Equality duty

20. The implications for the public sector equality duty are .
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the act
 - Advance equality of opportunity between people who share a protected characteristic and those who do not
 - Foster good relations between people who share a protected characteristic and those that who do not.

These will be met by the continuation of the funding to support the Social Emotional mental health (SEMH) project for NEETs and the further report on special school funding.

Financial implications

21. The £30k expenditure on the SEMH project will be contained within the DSG underspend from 2015/16. All other proposals relating to the 2017/18 DSG i.e. expenditure on school budgets, early years and high needs will not exceed the funding available within the Dedicated Schools Grant which will be announced by government in December 2016.

Legal implications

22. The purpose of this report is to update the schools forum on the recent meeting of the budget working group in planning consultation with schools for the 2017/18 DSG budget.

Section 10 of the Schools Forums (England) Regulations 2012 sets out the local council's duties to consult with the schools forum on school funding issues in relation to the DSG.

The Education Funding Agency provides a summary of powers and responsibilities of schools forums, which includes decisions it can make on proposals put forward by the local council.

Risk management

23. The BWG reviews proposals in detail prior to making recommendations to the schools forum. This two stage process helps to ensure greater scrutiny of budget

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proposals and mitigate against any risks that may be identified.

Consultees

24. All maintained schools, academies and free schools in Herefordshire are currently being consulted on the school budget proposals for 2017/18 and the responses will be reported to Schools fourm in December. The consultation paper is set out in Appendix 1.

Appendices

- Appendix 1- Schools Budget consultation 2017/18

Background papers

- None identified.

NATIONAL SCHOOL FUNDING FORMULA 2017/18

CONSULTATION FOR HEREFORDSHIRE SCHOOLS AND RESPONSE FORM



The budget response form must be returned by:
12pm on 4th November 2016 to:
School.funding@herefordshire.gov.uk

1.0 SUMMARY

- 1.1 This consultation paper sets out the expected financial position for school budgets for 2017/18, the national position including the early years funding consultation, and the proposals to address the £1.1m Education Services Grant (ESG) cut in 2017/18.
- 1.2 The proposal is to maintain the same funding values as 2016/17 in order to provide maximum stability for Herefordshire schools.
- 1.3 Some choice and flexibility will be offered to schools in order to mitigate against the impact of the ESG reductions whilst ensuring that the council and schools continue to be able to meet statutory duties which have not changed.
- 1.4 These proposals set out the fourth year of School Forum's five year implementation strategy to achieve a gradual transition towards the expected National School Funding Formula. This is now delayed until April 2018 by the Government.
- 1.5 As in previous years, Herefordshire will adhere to the DfE's funding block spending allocations as this practice has served Herefordshire well since 2013 when individual blocks were first published by DfE.
- 1.6 Overall the funding settlement provides no new money for schools so existing cost pressures will continue with additional costs from the ESG grant reductions, unfunded pay rises, the apprentice levy charges and potential further pension and other tax increases in future years.
- 1.7 Strong financial planning will be necessary by all schools to maintain financial viability during the coming years. Small primary schools with less than 100 pupils on roll, and schools that are facing potential challenging budgets for the next four years in particular should seek advice from the council if they wish to reduce costs.
- 1.8 **Consultation key dates:**
 - You are encouraged to respond by 12 noon on the 4th November 2016.

- School Forum's Budget Working Group will consider the responses and final budgets will be confirmed by Schools Forum in January prior to cabinet member approval and submission to the Education Funding Agency on 20th January 2017.
- Consultation meetings with schools will be deferred until later in the year when the detailed national funding formula proposals are available.

2.0 NATIONAL SCHOOL FUNDING PROPOSALS

- 2.1** The government has indicated that the detailed stage two school funding consultation will be published later in the autumn term and that there will be a full consultation with schools and local authorities prior to implementation from April 2018. Hence our school budget proposals for 2017/18 are interim proposals intended to maintain budget stability and address cuts in funding in Herefordshire schools and council, prior to consideration of the government's detailed proposals later this year.
- 2.2** Through effective financial planning over some years, Herefordshire is fortunate not to have complex historic funding liabilities within the Dedicated Schools Grant that would complicate the implementation of the national proposals.
- 2.3** The government has also begun consultation on early years funding reform. In summary, the consultation will propose:
- To reform the funding system to deliver affordable, flexible and high quality childcare for all parents and children – including those with disabilities and with special educational needs.
 - To have a fairer funding system for both the existing universal three- and four-year-old entitlement (for all parents) and the extension to 30 hours (for working parents).
 - To introduce a national funding formula for early years from 2017-18 (how money is allocated from Government to local authorities).
 - To use factors in the national formula including the incidence of children with additional needs and relative costs of delivery.
 - To reform the existing approach of local early years funding formulas (how money is allocated from local authorities to childcare providers) and maximise the amount of money to providers and therefore the children in their care
- 2.4** The DfE early years consultation ends 22nd September 2016 and at this stage is mainly concerned with the principles of the funding reform. The DfE propose a funding rate of £3.89 per hour for Herefordshire which is an increase of 25p per hour on the current £3.64 per hour funding allocated in Herefordshire's Dedicated Schools Grant. We will consult with local early years providers once the DfE confirm final plans later in the autumn term. However it is likely that 20p will be added to the hourly rate paid to providers and 5p retained to

increase payments for early years high needs that will be necessary by the extension to 30 hours.

- 2.5 The proposed early years funding reform is hugely disappointing as we expected more and it is sincerely hoped that the same does not apply to the schools national funding formula. Further details are set out in section 7.

3.0 BUDGET STRATEGY 2017/18

- 3.1 Following consultation with local authorities in May 2016, the DfE has published baseline assessments for 2016/17 based on 21,617 pupils as follows:

Schools Block	£95.84m
ESG retained	£0.34m
Central Block	£0.30m
High Needs	£14.04
Early Years	£5.19m
Total	£115.71m

- 3.2 Schools Block funding 2017/18: DfE has announced that funding for Herefordshire pupils in 2017/18 is £4,463.11 per pupil (including £15 per pupil for retained ESG duties). The projected funding available for the Herefordshire schools is set out below. Pupil numbers in both primary and secondary schools are expected to grow by relatively small amounts. Forecast pupil numbers are easily determined by adding growth to the DfE pupil baseline i.e. 21,617 plus an estimated growth in primary of 160 pupils and secondary of 109 i.e. a planning total of 21,886 pupils

Forecast pupils 21,886 at £4,463.11 per pupil	£97,679,500
Less DSG Central school block	(£300,000)
Less ESG at baseline plus £15 per 269 extra pupils	(£348,000)
Schools Budget available for schools	£97,031,500
Amount allocated by these proposals	£96,931,632
High Needs Block funding	£14,040,000
Early Years baseline <i>(Note central early years spend is £350k within above £5.19m)</i>	£5,190,000
Schools Funding allocated 2016/17	£95,656,000

- 3.3 There are two known funding pressures on the schools block; firstly a potential increase of 2% on school rates at a cost of £25,000 and secondly the addition of a final £25,000 to the PFI funding factor following agreement between Schools Forum and the council in July 2014 to ensure the PFI contract is fully funded. A business rates revaluation is due for 2017/18 and may add additional cost.

- 3.4** Funding for the high needs block will be uplifted later in the year in December 2016 so final allocations of the high needs block cannot be determined until early in 2017. It will be essential that expenditure and place forecasts are accurate particularly for special schools to ensure appropriate budgets are set.
- 3.5** The central schools block will be used to fund Schools Forum administration costs (£5k), school admission costs (£127k) and national licence costs (£168k) as in previous years.

4.0 NATIONAL FUNDING FORMULA – HEREFORDSHIRE PROPOSALS

4.1 Herefordshire proposes to maintain the 2016/17 funding values for 2017/18. The proposed funding rates for each national factor (based on estimated pupil numbers) for 2017/18 are set out below. These are the 2016/17 funding values. As in previous years, school budgets can only be finalised after the October pupil census and confirmation by the DfE of the financial settlement in December. Schools Forum has committed to maintaining these published values and changes will be made only if absolutely necessary.

4.2 Herefordshire's school funding proposals for 2017/18 are:

- Basic Entitlement per pupil:
 - (i) Primary KS1/2 £2,875
 - (ii) Secondary KS3 £3,843
 - (iii) Secondary KS4 £4,436
- Low prior attainment (low cost, high incidence special education needs)
 - (i) primary funding £615 per pupil
 - (ii) secondary funding £1,121 per pupil
- Deprivation per Ever-6 Free Meal pupil
 - (i) primary £2,192
 - (ii) secondary £1,419
- English as Additional Language (EAL) per first year EAL pupil
 - (i) Primary £505
 - (ii) Secondary £1,216
- Lump sums
 - (i) Primary £87,000
 - (iii) Secondary £143,000
- Primary sparsity
 - (i) tapered lump sum of £42,000 for qualifying primary schools
- Business Rates – no change, funded at cost with a presumed 2% increase.
- Looked After Children – £1,300

- Mobility – not used.
- PFI factor – to increase to £267,500 up by £25,000 in accordance with the agreement with Schools Forum.

Q1: SCHOOL FUNDING VALUES 2017/18

Do you agree with the proposals to maintain the school funding values at the same values as 2016/17 to ensure budget stability for Herefordshire schools?

Note: Business rates will be funded at cost with an expected increase of 2%. PFI costs will increase by £25,000 as approved by Schools Forum to cover contracted inflation.

- 4.3** In order to significantly improve the quality of maintained schools financial planning, a county licence was purchased for the HCSS school budgeting software in 2016/17. Feedback from schools has been excellent and the five year financial plans submitted are much improved and will provide a sound basis for future planning by maintained schools. It is considered essential that schools continue to use this software and that de-delegation provides the most cost effective way of funding the licence. The software will be retendered later this year and the cost is expected to be around £350 per school.
- 4.4** There are no proposals to change the de-delegation arrangements for maintained schools for 2017/18. It would be helpful to Schools Forum if you could indicate your support of the current arrangements by completing Q2. De-delegation reduces the amount of administration and invoicing to schools for a limited set of services where Schools Forum agrees that such services are required by all schools.

Q2: DE-DELEGATION

As in previous years, it is proposed that the following services should be de-delegated for local authority maintained schools:

- A) trade union facilities Primary only –
Charged at £3.50 per primary pupil
- B) Ethnic minority support – secondary and primary –
Charged at £1.12 per pupil, £6.60 per Ever-6 FSM pupil and £107 per EAL first year pupil.
- C) free school meals administration secondary and primary - Charged at £4.51 per Ever-6 FSM pupil
- D) School budgeting software licence estimated at £350 per school

Please answer individually for each service.

Please note that de-delegation will continue to apply for the above services. The impact of the ESG cuts and local authority statutory services are considered in section 5

5.0 EDUCATION SERVICES GRANT (ESG)

- 5.1** In the 2015 Spending Review, the government announced a cut of £600m from the Education Services Grant which is given to local authorities and academies to fund statutory education duties. The £600m cut is 75% of the total ESG funding. Since the announcement of the cut the DfE has changed its position on the expected role of local authorities, as illustrated in the white paper Education Excellence Everywhere and subsequent briefings ie a number of statutory duties now remain in place and the government has advised councils they will have to find alternative sources of funding. However, the financial cut is still going to take place in addition to ongoing reductions in the rate support grant which the government also provides councils. For Herefordshire Council this is a reduction of £1.1m and will adversely impact on the statutory services provided by the Council for all children and young people, for all schools and for locally maintained schools. Herefordshire academies will collectively face a similar cut.
- 5.2** The DfE has determined that there will be a retained amount of £15 per pupil to recognise some of the duties that a local authority performs for all schools. This is the only element of ESG funding that continues for 2017/18 and the DfE will allocated this funding directly to the local authority.
- 5.3** Herefordshire Council has a strong and productive relationship with all schools and with the schools forum. We are a council that has carried out its responsibilities cost effectively compared to other local authorities. In terms of costs, in current comparisons Herefordshire local authority services are in the lowest quartile of all authorities (i.e. cost the least) and in the bottom three or four of statistical neighbours. In other words we spend comparatively little on the same statutory duties that all local authorities have to carry out.
- 5.4** Herefordshire is a high delegator of resources to schools. We have worked with the schools forum and all schools to move towards the national funding formula. We have taken bold steps to restructure and revitalise our approach to school improvement, working with schools, making the most of our different skills, interests and responsibilities and collectively achieving impressive results. We have a lot to be proud of in Herefordshire and in the way maintained schools, academy schools, the Diocese, the Archdiocese and the local authority work together.
- 5.5** A cut of this size cannot simply be absorbed and national government has explicitly stated that they expect local authorities to continue to play a critical part in the lives of children and young people and in schools, whatever their status (i.e. academy, free school, maintained school).The government has also stated that they expect local authorities to find different sources of funding, including schools paying for services.
- 5.6** It is important to reflect on this context whilst we consider how to address the significant national cut and expectations. The amount retained by the local authority will need to be agreed by the maintained members of the schools forum.

- 5.7** In addition local authorities can enter into service level agreements, contractual arrangements or other forms of organisation (including establishing schools companies, staff mutual, social enterprises) to deliver services in a local area and gain contributions from schools in order to do so.
- 5.8** Herefordshire's approach is to minimise the cost to schools to an acceptable minimum whilst offering greater choice to schools through Service Level Agreements rather than enforced de-delegation. Without the work during the previous 12 months preparing schools for reducing budgets, we would have little choice but to seek a much greater top-slice however unwelcome. The proposals contain work that directly benefits pupils within Herefordshire schools, supports the joint working approach that the council has with all schools, and provides statutory duties to support effective school management for the maintained schools.
- 5.9** If the local authority and schools forum are unable to reach consensus on the level to be retained, the matter will need to be referred to the secretary of state.
- 5.10** A cut of £1.1m per year cannot be achieved without an impact on the range of services provided and our proposals are as follows:
- 1) £600k reduction in the council's corporate services and in education and commissioning services i.e.:**
 - a. Reduction in corporate overheads £500k
 - b. Reduction in education and commissioning central school improvement funds £47k
 - c. Efficiency savings in council services and full cost recovery £53k
 - 2) £200k school redundancies for maintained schools either to be:**
 - a. charged directly to the maintained schools that incur them; or
 - b. top sliced from maintained schools budgets to be retained by the council to meet costs
- 5.11** Jointly with the schools forum, the local authority has previously advised schools on the need for more robust budget planning and offered advice on how to manage staffing costs by planning ahead. Given this advice and the removal of funding, it is proposed that the local authority will no longer hold money itself to cover redundancies from maintained schools but will either:
- a. Pass the cost of redundancies and any early release of pension costs onto individual maintained schools as they arise, considering each case on its merits, retaining a very small sum for exceptional circumstances which will be provided through a top slice. Loans from the local authority may be a way of helping to spread the redundancy cost over a five year period; or

- b. Top slice the current £200k for all maintained schools at a cost of £15 per pupil to meet maintained school redundancy costs. Any under or over spend of actual costs will be carried forward to the next financial year and the top-slice adjusted as necessary.

5.12 It would be prudent at this time for maintained schools to recognise both possible scenarios in any staffing considerations that will have budget implications that they make in the autumn term onwards. In other words maintained schools should recognise that they may potentially face redundancy costs that they have not previously had to cover. Academies are already responsible for their own redundancy costs.

3) £200k budget top-slice of £15 per pupil for maintained schools only to support effective school management and cover statutory duties carried out by the local authority

<u>Service for LA schools</u>	<u>£'000</u>
Governor services- support for schools	24
Monitoring National Curriculum assessment	20
Internal audit	30
Strategic HR	30
Strategic Finance	30
SACRE	6
Property landlord duties	30
Exceptional redundancy costs	30
Total	200

4) £200k SLA proposals for all schools that cover safeguarding and pupil wellbeing, including data analysis

This includes the consolidation of some existing charges e.g. the current cost of two education advisors within the Multi Agency Safeguarding Hub was approved by the Secretary of State for Education from central DSG for 2016/17 only.

The cost of the existing staff (£75k) will be funded through an SLA with schools for 2017/18 and will incorporate MASH operational costs that previously have not been part of the costs. The work of a school improvement advisor, which is predominantly pupil well-being and safeguarding in all schools, will be included in the new SLA.

The MASH SLA will be approximately £10 per pupil and further details will be circulated in due course. The alternative to the SLA will be to purchase MASH services at a consultancy rate of £75 per hour, however this could undermine the collective Herefordshire schools approach to the MASH.

- 5.13** Schools should note the support the council is proposing to continue to give education and schools by addressing the largest proportion of the cut and significant budget change directly within its own council budget. Further details will follow in heads and governors briefings in the autumn term.

However, at this time it is important for maintained schools to appreciate that the government has given local authorities little choice in that by removing the funding whilst retaining the statutory responsibility the local authority has no choice but to make further reductions in its spending whilst also recovering costs from schools.

Q3: EDUCATION SERVICES GRANT REDUCTIONS

1. Do you agree with the proposals to make cuts in the council's corporate services and in education and commissioning services as follows:

A) Reduction in corporate overheads	£500K
B) School Improvement fund	£47k
C) Other efficiency savings	£53k

2. £200k School redundancies for maintained schools, do you prefer either;
 - A) charged directly to the maintained schools that incur them; or
 - B) top sliced from maintained schools budgets at £15 per pupil to be retained by the council to meet costs
 - C) do you support the provision of loans from the local authority to help spread the cost of redundancies over a five year period?

3. £200k budget top-slice of £15 per pupil for maintained schools only to cover statutory duties carried out by the local authority

4. £200k new SLA proposals for all schools that cover safeguarding and pupil wellbeing, including data analysis

If you disagree with the above proposals, please suggest practical alternatives that permit the council to continue to meet its statutory responsibilities on behalf of children in maintained schools with no Education Services Grant

6.0 HIGH NEEDS FUNDING

- 6.1** High needs funding in Herefordshire remains under pressure from rising costs particularly from increasing numbers of commissioned places as funding from the DfE in the High Needs Block has remained largely static. Herefordshire has to rely on the relatively small increases in the high needs block announced annually by government. The f40 campaign group forecasts that Herefordshire will benefit from the government's intention to fund the high needs block on a formulaic basis although any increase is likely to be phased in over an extended time period.

- 6.2** In the short to medium term, Schools Forum faces difficult decisions each year to ensure that high needs pupils in special schools, mainstream schools and independent placements are allocated sufficient and proper funding from that made available by government. Schools Forum will again have to consider whether a further increase in high needs funding will be possible for 2017/18. Without any such an increase special schools will have to absorb cost pressures in the same way as mainstream schools have been required to do.

7.0 EARLY YEARS FUNDING

- 7.1** Herefordshire is currently the 16th lowest funded authority for early years nationally and is unable to increase funding for early years providers without an increase in funding from the DfE through the “fairer funding” review of the early years block funding. The DfE has published a consultation on early years funding reform to provide “fairer” funding and also set out funding arrangements for the expansion to 30 hours weekly provision. Until such plans for the future are finalised there can be no change proposed in early years funding rates. Schools Forum has previously agreed that early years funding in Herefordshire should be on a par with our neighbouring counties.

- 7.2** Herefordshire’s current funding is based on £3.64 per hour and 94.1% is passed through to PVIs via a simple formula that treats all providers equally. The local formula for distributing funds to providers is:

£50 per week lump sum + £3.20 per hour + £0.26 per hour for deprivation.

Two year olds are paid £4.85 per hour

- 7.3** Under the new proposals the government allocates a base amount to each authority and then inflates by an area cost adjustment to reflect the cost of providing childcare in each area. The area cost adjustment is calculated on 80% on wages, 10% on nursery premise costs and 10% is assumed not to vary. Herefordshire is amongst the lowest nationally for area cost adjustment at an additional 2%. As such, Herefordshire will receive £3.89 per hour as follows:

• Universal base rate	£3.61 per hour
• Free school meals	£0.21 per hour
• English as Additional Language	£0.02 per hour
• Disability Living Allowance	£0.05 per hour

Total £3.89 per hour

An increase of 25p per hour on our current allocation.

- 7.4** Restrictions are being introduced on the amount withheld for central administration so that 93% must be passed to providers in 2017/18 and 95% in 2018/19. Herefordshire currently withholds about 5.9% to cover payment costs and the provision of an early years advisory team. It is expected that this percentage will fall as the funding for the extension to 30 hours increases. Small changes to the retention of central costs may be necessary in 2018/19 but we will seek views nearer the time.

- 7.5** Later in the autumn, and following the outcome of the DfE consultation, local authorities are asked to consult with providers on changes to the local formula. For some there will be big changes but for Herefordshire we only expect small changes, for example the 5p per hour for disability living could be added to the high needs budget to provide for high needs payments relating to the extension to 30 hours. It is likely that the remaining 20p will simply be added to the hourly rate.
- 7.6** Herefordshire’s early years funding rate is quite comparable with our statistical neighbour authorities with minor variations explained by small differences in area cost adjustments e.g.:

Herefordshire	£3.89
Shropshire	£3.78
Dorset	£3.94
Somerset	£3.96
Wiltshire	£3.97
Gloucestershire	£4.04
Worcestershire	£4.04

- 7.7** All in all the proposals are financially disappointing as we had hoped for a bigger increase. The methodology used by the DfE seems fair and the costs have been collected from national statistics so it’s doubtful there will be much success in challenging the figures. It is proposed that we will contribute to the f40 response as this will reflect the 40 lowest funded LAs and includes our statistical neighbours.
- 7.8** As this is still only consultation by the DfE, all Herefordshire providers have been encourage to respond and detailed proposals for change will be brought forward later in the autumn when the DfE announces the outcome of the consultation.

8.0 BUDGET CONSULTATION TIMESCALES

8.1 The budget process and expected timeline is:

- Consultation closes 12 noon 4th November 2016
- There is no requirement this year for the submission of an interim budget to the EFA in October.
- Schools Forum meets on 13th January 2017 to consider the recommended funding values to be submitted to the Education Funding Agency by 20th January 2017
- Budgets issued to locally maintained schools by 28th February 2017
- Education Funding Agency to issue budgets to academies for academic year 2017/18

- 8.2 Further consultation will be arranged once we are in receipt of the DfE's detailed stage two funding consultation expected later in the autumn term.

9.0 IMPACT ON SCHOOL BUDGETS

- 9.1 Final school budgets for 2017/18 will be calculated using actual pupil numbers and the final funding values submitted to the EFA in January 2017. Future budgets beyond 2017/18 will depend on the DfE's stage two school funding consultation due to be published later in this year.
- 9.2 Detailed individual budgets will be issued to schools in support of the consultation paper based on estimated pupil numbers and will be updated to reflect October PLASC pupil numbers on request.
- 9.3 Overall the proposals have the following impact on the total Schools Budget:

FUNDING FACTOR	2016/17 £'000	%	2017/18 £'000	%
Per pupil	72,520	75.7	73,493	75.7
Deprivation	7,697	8.0	7,814	8.1
Looked After Children	164	0.2	167	0.2
Low Cost SEN/Prior Attainment	4,290	4.5	4,362	4.5
EAL	204	0.2	207	0.2
Lump Sum	9,074	9.5	9,074	9.4
Sparsity	318	0.3	310	0.3
Rates	1,326	1.4	1,264	1.4
PFI	243	0.3	268	0.3
TOTAL	95,836	100	96,931	100

- 9.4 The above table ignores the impact of the proposed £15 per pupil top-slice for statutory duties for maintained schools (and any additional top-slice to meet the cost of redundancies) as it is not yet clear how the top-slice will be accounted for. This will be clarified in the school finance regulations for 2017/18 when published by the DfE.

10.0 CONSULTATION RESPONSES BY 4th NOVEMBER 2016

- 10.1 A separate consultation form is attached and must be returned to School.funding@herefordshire.gov.uk by 12 noon on 4th November 2016 in order that your views can be considered by Schools Forum at their meeting on 2nd December.
- 10.2 The consultation meetings can also be used to express views for consideration – given the importance of the proposals all views are welcomed.

11.0 FURTHER INFORMATION

11.1 If you have any questions regarding the detailed content of this consultation paper or the calculations and comparisons for your school as set out in the appendices please contact either Malcolm Green, Schools Finance Manager (malcolm.green@hoopleltd.co.uk) or any member of the Budget Working Group as follows;

Primary

Mr P Box, Lord Scudamore
Ms T Kneale, Marlbrook
Mr M Maund, Almeley
Mrs J Rees, Ledbury
Mrs S Bishop, Pencombe
Mr G Mills, Ashfield Park

Secondary

Mrs S Catlow-Hawkins, Bishop's
Mr J Docherty, John Kyrle
Mr N Griffiths, John Kyrle (BWG Chairman)
Mrs A MacArthur, Wigmore High (and Primary)
Mr S Robertson, Aylestone

11.2 Others contributing to the development of these budget proposals included Ms N. Gilbert, Westfield representing special schools and Mrs R Lloyd and Mrs A Jackson representing early years.



Meeting:	Schools forum
Meeting date:	21 October 2016
Title of report:	Looking to the future – interim proposals
Report by:	Schools finance manager

Classification

Open

Key Decision

This is not an executive decision.

Wards Affected

County-wide.

Purpose

To update Schools forum on the interim proposals from the Task and Finish Groups and to refer them to the Budget Working Group and the Education Strategic Board for comments in accordance with the terms of reference.

Recommendation(s)

THAT:

- (a) comments be provided on the merit of each task and finish group proposal contained in the appendices particularly with regard to impact and value for money and proposals referred to the Budget Working Group and the Education Strategic Board;**
- (b) Forum consider whether final proposals should be subject to a final consultation with school governing bodies in March/April 2017 prior to approval by Schools forum in summer 2017;**

Alternative Options

- 1 The task and finish groups have considered a range of actions and proposals as part of their work and their interim proposals are for discussion and consideration today..

Further information on the subject of this report is available from Malcolm Green, schools finance manager, on Tel (01432) 260818

Reasons for Recommendations

2. To ensure the proposals from the task and finish groups deliver maximum impact and value for money. To make appropriate use of the £890k Dedicated Schools Grant underspend to improve outcomes for children and young people and to change the pattern of spend for the DSG.

Key Considerations

Background

3. In June 2015 School Forum received a detailed presentation at an informal workshop under the “Looking to the Future” banner setting out the pressures on the education provision and funding streams in Herefordshire for the next five years. In order to plan ahead effectively Schools Forum and the council have responded by commissioning four task and finish groups to consider in detail four broad service areas and report back with proposals. The proposals were expected to improve outcomes for children as well as change the pattern of spend and help address emerging pressures. The task and finish groups are as follows;
 - Outcomes
 - Capital
 - Early Years
 - High Needs
4. The groups have been charged with making interim recommendations and proposals to Schools Forum in May 2016, and following discussion at the Education Strategic Board, final recommendations by May 2017.
5. The agreed terms of reference for the task and finish groups are set out in appendix 1.
6. The interim reports of the task groups are set out in the appendices as follows;
 - Appendix 2 – Outcomes
 - Appendix 3 – Early Years

The proposals of the high needs task group have been delayed by a recent Ofsted inspection of the county’s SEN provision and the capital strategy is being progressed separately. Reports and proposals on both subjects will be brought to a future meeting.
7. Additionally at this early stage Schools Forum is invited to consider whether there should be any consultation with school governing bodies re the proposals after consideration by the Budget Working Group and Education Strategic Board and prior to Schools Forum considering final proposals in summer 2017.

Community Impact

8. There is no community impact at this stage as the report seeks further comment on the interim proposals. Any community impact will be considered as part of the approval of the final proposals.

Equality duty

9. There are no implications for the public sector equality duty at this stage.

Financial Implications

- 10 The final proposals will need to clearly set out the financial implications particularly for sustainability and exit costs (e.g. redundancy, equipment on-going maintenance). The Budget Working Group will comment further. Funding is limited to £890k underspend in Dedicated Schools Grant reserves and it is essential that spending is constrained to the available funding. The final proposals from task and finish groups will clearly set out the financial implications in their final proposals.

Legal Implications

- 11 The purpose of this report is to seek the Schools Forum's comments on the interim proposals of the Looking to the Future task and finish groups. As such there are no specific legal implications.

Risk Management

- 12 Risks will be managed by the inclusion of a wide membership for each of the task and finish groups and by further detailed consideration of the interim proposals by the Education Strategic Board and Schools Forum. Significant change proposals will be subject to further consultation with stakeholders.

Consultees

- 13 None at this stage.

Appendices

- Appendix 1 – Terms of reference for task and finish group
- Appendix 2 – Outcomes
- Appendix 3 – Early Years

Background Papers

- None identified.

Looking to the Future

Schools Forum Task and Finish Groups

As part of a five year funding strategy to ensure that Herefordshire Schools Forum and the council pro-actively manage future funding pressures in the Dedicated Schools Grant, Schools Forum has agreed to set up four task and finish groups with the following terms of reference:

- All groups need to consider how to incentivise change, whether it be by, for example managing demand, meeting need in a different way or incentivising new models of school
- To clarify additional sources of support and research needed and identify best practice elsewhere
- To prepare costed proposals to achieve better value for money from current spending as appropriate on
 - Outcomes
 - Capital
 - Early years
 - High Needs
- To provide the evidence base for improved educational standards in Herefordshire to support educational standards in Herefordshire
- To call for evidence from all Herefordshire schools and early years settings as appropriate and as required
- To prepare suggested implementation timelines setting out funding implications
- To make interim recommendations and proposals to Schools Forum in May 2016, following discussion at the Education Strategic Board and final recommendations by May 2017
- Each task and finish group to consider its operating practice whereby rather than meeting regularly the group could alternatively block out slots of time to do concentrated work to finish quicker.

Herefordshire Council's General Overview and Scrutiny Committee be invited to either shadow or work alongside the task and finish groups.

Question – how best to involve governors?

All proposals for change must take account of current expenditure and standards, DfE finance regulations that may restrict spending flexibility and clearly set out the proposed changes to ensure effective spending of Dedicated Schools Grant taking full account of the increased demand for reducing resources in a time of financial stringency

School Forum's notes on key issues are attached.

DRAFT

Group 1: Outcomes - Herefordshire School Improvement Partnership

Co - Chair: Lisa Fraser

Co-chair and Lead Headteacher: Tracey Kneale

Issues to address

1. Are we as effective as we could be and how can we evidence funding is having a positive effect?
2. Can we target the funding we have in better ways?
 - Lump sum
 - Low prior attainment
 - Deprivation i.e. ever-6 free meals funding
3. Removing barriers to learning e.g. mental health, therapeutic support, early help/troubled families.
4. What do the graphs tell us?
5. How do we target for outcomes?
6. Consider whether by pooling funds say between schools and/or with the Local Authority and Clinical Commissioning Group could help secure better outcomes.

Membership

- Dean Curtis – Headteacher at Wigmore
- Dean Williams – Headteacher at Weobley High
- Angela Daniel – Headteacher Kingsland Primary
- Claire McKeown – Headteacher at Whitchurch CE Primary
- Marie Tomas – Headteacher at Clifford Primary
- Andy Evans – Headteacher at John Masefield High School
- Chris Bandfield – Headteacher at Ashperton Primary
- Andrew Teal – Headteacher St Paul’s CE Primary
- Paul Whitcombe – Executive Headteacher at Lord Scudamore Academy
- Tracey Kneale – Headteacher at Marlbook
- Anne Robertson – Archdiocese
- Phillip Sell – CofE Diocese
- Oremi Evans – Headteacher at Brookfield Academy
- Nigel Griffiths – Headteacher at John Kyrle
- Lisa Fraser - Head of Learning and Achievement

Group 2: Capital – Capital Strategy Group

Co-Chair: Andy Hough

Co-chair and Lead Headteacher: Anne Pritchard

Issues to address

1. High quality learning environments are more likely to deliver the best outcomes for all children and young people
2. Don't have the money to spend via "traditional routes"
3. Becoming academy not the answer
4. Size of school
5. Leadership and management
6. Use of range of funding:
 - Use of DfE grants
 - Recycling funding e.g. Broadlands/Aylestone
 - Dedicated Schools Grant/school revenue – schools already doing this – how to do it better?
 - Academies fund
 - CIL and section 106
 - Business sponsorship
 - Business investment
 - Corporate council borrowing
7. Make the case at local and national political level

Membership

- Andy Hough - Head of Education Development
- Simon Robertson - Head teacher, Aylestone
- Nicki Gilbert - Head teacher, Westfield
- Adam Breakwell - Head teacher, Orleton
- Kathy Weston- Head teacher, St James
- Kevin Wright - Head teacher, St Peters
- Oremi Evans- Head teacher, Brookfield
- Ann Pritchard- Head teacher, Trinity
- Liz Sykes - School Business Manager, Luston
- Sue Palmer –School Business Manager, St Martins
- Alison Price - Bursar, Ashfield Park.
- Sian Lines - Dioceses, Assistant Director Business & Premises

Group 3: Early Years Strategy Group plus additional representatives to ensure full representation

Co- Chair: Julia Stephens Co-chair and Lead Headteacher: Julie Rees

Issues to address

1. Base for all future schooling – evidence from the research is “quality of early years provision is carried through to GCSE
2. Overall, outcomes improving, but not where we want them to be – gap for the vulnerable too big.
3. National funding issue particularly for expansion to 30 hour provision
4. No increase in rate paid to Herefordshire providers since circa 2007
5. Herefordshire is 16th lowest funded nationally by DfE for early years
6. How can we invest more in early years?
7. Can we afford not to?
8. Who pays?
9. How do we lobby government?
- 10 Strategic nursery classes in schools – where? Rationale? Outcomes?

Membership

Chair: Early Years Policy and Strategy Manager – Julia Stephens

Plus co-chair (for task and finish group) Julie Rees, Headteacher Ledbury Primary

- Health provider services (health visitors and midwifery) CAROLINE HATTON
- Public health SOPHIE YOUNG & ANDREA WESTLAKE
- Safeguarding/LAC - VACANT
- Early years improvement – ALISON MURPHY

- Early years inclusion – SUE SHARP
- Children's Centres – ANNE ROBERTS
- Additional needs – LES KNIGHT
- Sufficiency and capital commissioning – ANDY HOUGH
- Educational development – ANDY HOUGH

- Children's commissioners- JAMIE LEES
- Early years providers – NICKY OVAL (MERRY GO ROUND NURSERY) & ROSE LLOYD (BRIDGES CHILDCARE)
- Primary school
- KEVIN WRIGHT (ST PETERS BROMYARD)
- KATHY WESTON (ST JAMES PRIMARY SCHOOL)
- CAROLINE WOODS (WEOBLY PRIMARY)
- Department for Work and Pensions (DWP) – ANN PIERCE

DRAFT

Group 4: High Needs – Reconstituted High Needs tariff group plus additional nominees to ensure full representation

Co-Chair: Les Knight

Co-chair and Lead Headteacher: Sara Catlow-Hawkins

Issues to address

1. Cannot continue to grow special school places
2. High needs funding largely fixed irrespective of growth in demand
3. Review the DfE's high needs report published by ISOS July 2015
4. Growth in special school places of 25% since 2010 at a cost of £1.2m – impact is reduction of mainstream school funding
5. Similar growth of 25% to 2020 will cost further £1.2m i.e. £60 per pupil
6. High needs budget overspent in 2014/15 by £126k
7. And in 2015/16 propped up by £150k of one-off reserves
8. Growth pressures in hospital education, autism, out-county placements rising again, disproportionate impact of pension costs, early years SEN increasing
9. Consider whether by pooling funds say between schools and/or with the Local Authority and Clinical Commissioning Group could help secure better outcomes.
10. Review the operation of the top up tariff (banded funding panel)

Funding for outcomes

A decision on the **National Funding Formula** has been postponed by central government until 2018-19; this will determine how Herefordshire Council is able to target funding and potentially to provide funding for successful outcomes.

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Cuts to the **Education Service Grant** of 75% will impact on Herefordshire schools from 2017-18. Herefordshire Council is currently consulting with schools and academies on a range of measures, including service level agreements, mainly focusing on children's wellbeing and safety and data analysis.

Funding for outcomes

Discussions with a range of senior leaders from both maintained schools and academy schools suggested outcomes could improve if funding is linked to:

- initiatives to improve teaching and learning/leadership and management
- rewarding results
- targeting key areas where levels of disadvantage and deprivation are high
- collaborative initiatives around the attainment and progress of key groups

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Educational Excellence Everywhere – opportunities for Herefordshire

The white paper presents new opportunities for schools and local authorities. It is proposed that local authority duties will continue to focus on:

- ensuring every child has a school place
- ensuring the needs of vulnerable pupils are identified and met
- acting as champions for all parents and families

Educational Excellence Everywhere – opportunities for Herefordshire

Any changes to the funding model will require schools to buy into an improvement system.

Key considerations

- 46 • What will work in Herefordshire?
- What will schools value and want to spend money on?
- How will any proposed system ensure that it:
 - provides what is needed across the range of schools in Herefordshire?
 - has a positive impact on outcomes for all pupils?

Educational Excellence Everywhere – opportunities for Herefordshire

In the Herefordshire context, discussions regarding funding have identified:

- shared vision and values
- 47 • commitment to school improvement and the development of innovative practice
- commitment to collaboration and supporting all schools in Herefordshire to attain the highest standards

Summary Report: Schools Forum Early Years Funding Review Task and Finish Group

Authors: Julia Stephens Early Years Policy & Strategy Manager & Chair of EYSG & Julie Rees Schools Forum Chair

Introduction:

As part of the five year funding strategy we need to ensure that Herefordshire Schools Forum and the council pro-actively manage future funding pressures in the Dedicated Schools Grant. The Early Years Task and Finish Group have considered some of the issues, priorities and possible recommendations in order to incentivise change within the current statutory responsibilities placed upon early years.

The Issues and early years priorities identified in this report have been shared and consulted upon with the strategic Early Years Policy & Strategy Group. A sub group of this board has met to drill down the detail.

Representation on the Early Years Strategy Group Board Include:

- Health provider services (health visitors and midwifery)
- Public health
- Safeguarding
- Early years improvement
- Early years inclusion
- Children's Centre Services
- Additional needs
- Sufficiency and capital commissioning
- Educational development
- Children's Commissioning
- Early Years Providers
- Primary schools
- Department for Work and Pensions

Background:

As part of a five year funding strategy to ensure that Herefordshire Schools Forum and the council pro-actively manage future funding pressures in the Dedicated Schools Grant, Schools Forum has agreed to set up four task and finish groups.

Each Task and Finish Group has been asked to make interim recommendations and proposals to Schools Forum in May 2016 following discussion at the Education Strategic Board and final recommendations by May 2017. This will require costed proposals that take account of current expenditure and standards and DfE finance regulations around spending flexibility and clearly set out

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the proposed changes to ensure effective spending of Dedicated Schools Grant in light of the increased demand for reducing resources in a time of financial stringency.

Nursery Education Funding 2,3 & 4 year olds & Implementation of the 30 hours free entitlement September 2017

Early years funding comes from the “Dedicated Schools Grant”. It is ring fenced and comprises of:

- Early Years Block
- Schools Block
- High Needs Block

Funding for 3 & 4 year olds:

Herefordshire is the 16th lowest funded authority for early years nationally and is unable to increase funding for early years providers without either an increase in funding from the DfE through a “fairer funding” review of early years block funding or a reduction in schools funding through the DSG.

There is no change proposed in early years funding rates for 2016/17. Schools Forum has previously agreed that early years funding in Herefordshire should be on a par with our neighbouring counties. The latest DfE comparative benchmarking data from 2013/14 indicates the average funding per hour of early years provision for 3 and 4 year olds is:

- **Gloucestershire £3.39**
- **Worcestershire £3.43**
- **Herefordshire £3.48**
- **Shropshire £3.48**

The hourly rate for Herefordshire has not been reviewed since 2007. In Herefordshire we have 89 early years providers and 54 out of 103 childminders receive Nursery Education Funding (NEF). (Source: Childcare Sufficiency Report January 2016)

Currently 98% of our three and four year olds take up a funded place (Source: Childcare Sufficiency Report January 2016)

Funding for 2 year olds:

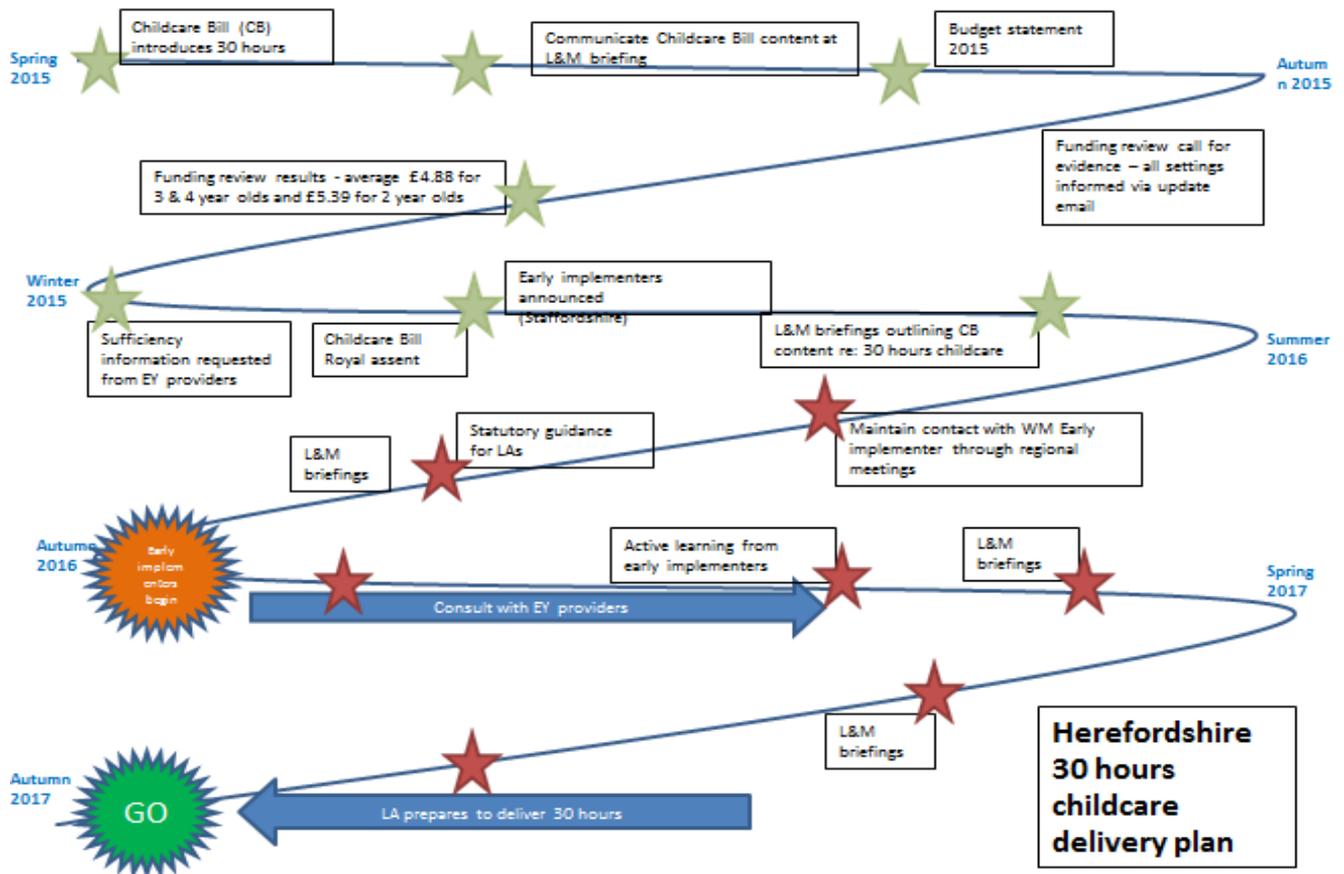
This is allocated within DSG directly by the DfE at the following rate of £4.85 per hour for Herefordshire, Worcestershire and Shropshire and Gloucestershire at £4.93 per hour. On this basis, no changes are proposed for 2016/17. However funding will have to be reconsidered for when the 30 hour free entitlement is implemented.

Currently 68% of eligible disadvantaged 2 year olds take up a funded place (Source: Childcare Sufficiency Report January 2016)

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The Herefordshire average hourly rate for childcare is £.4.03 per hour. (Source: Childcare Sufficiency Report January 2016)

30 hours free childcare delivery plan:



The Challenges:

- It is a Statutory Duty placed on the LA to deliver high quality provision for early years within a shrinking budget where staffing costs are rising.
- We have a duty to provide free nursery education funding places for 2,3 & 4 year olds.
- We have a duty to ensure there are enough childcare places to meet parental demand and that parents have a choice of providers.
- **Following a survey sent out to Early years providers in Herefordshire in October 2015, the results were very clear in that providers were very keen and could deliver on the 30 hours entitlement but only if the hourly rate improved otherwise it was not financially sustainable.**

Recommendations:

- 1. Development of high quality early years provision is essential.**

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Achieved By:

- Development of Early Years Hubs led by qualified early years teachers to ensure high and consistent expectations
- Range of provision eg childminders, governor run provision, pre- schools
- Moderation of early years outcomes
- Expectations across provision aligned

2. Emerging concerns of 0-5 years – Mental Health, speech & language, Physical development.

Achieved By:

- Better integrated of early childhood services e.g health visitor, midwives, early years providers, schools, community organisations
- Improved partnership working and communication between agencies with opportunities to share resources
- Improved data sharing between partner agencies
- Early identification of needs will support children early on reducing demands placed on the high needs funding block
- Utilising the 2 year underspend of approximately £800k to support speech and language in the early years as well as rolling out training to parents and professionals.

3. Understanding childcare demand and implementation of the 30 hours free entitlement for nursery education funding

Achieved By:

- Improved data collection from EY providers and gaps in childcare across Herefordshire identified
- Support opportunities for EY providers to source external funding to support growth and expansion alleviating pressure on the LA
- Consultation and communication with EY providers on demand from parents for the 30 hours (survey)
- Market development and business support for providers wishing to expand
- Review of the NEF hourly rate for providers and an increase is essential to ensure this duty can be met.

In addition the early years task and finish group have been asked to make proposals for spending the £890k early years underspend to Schools Forum. The proposals will help alleviate pressures on the high needs block by:

It is vitally important that we make effective use of the funding available to give poorer children the good start they so desperately need as this underspend is for the most disadvantaged. It is important it makes a notable difference and it is used in a sufficiently targeted, coordinated way to make this difference.

I quote the most recent Ofsted survey of disadvantaged youngsters report July 2016;

“The uncomfortable truth, however, is that although early education is better than it has ever been, it is still not benefiting our poorest children as much as their peers.

We know that nearly half of the children from disadvantaged backgrounds have not secured the essential knowledge, skills and understanding expected for their age by the time they finish Reception Year. Around a quarter are unable to communicate effectively, control their own feelings and impulses or make sense of the world around them to ensure that they are ready to learn.

Yet we also know that it is the poorest children who have the most to gain if they are given the opportunity to master these basic skills before they reach statutory school age – and the most to lose if they are not. By this point, the odds of these children catching up are stacked against them. In 2015, only 44% of children who had not reached the expected level at the age of five went on to securely achieve the national benchmark in reading, writing and mathematics at the age of 11.¹ This compares with 77% of children who had achieved the good level of development”

The proposal by the Early Years Strategy Group (EYSG) is to use the 2 year underspend on the following:

- Support, guidance and approach from speech and language by professionals to be disseminated and cascaded to early years providers & schools
- Training to be rolled out to professionals working with 0-5 years to ensure support and information can be cascaded and support sustainability
- Drop in sessions/clinic for parent with a speech and language professional to be offered to support direct interventions
- Proposal for some a proportion of the funds to be spent delivering training and conference to parents and early years practitioners on specific targeted areas e.g Phonics, Literacy, Numeracy

Proposal to commission a targeted speech and language support for 0-5 years = £500k over 2/3 years.

¹ 'Education in England: annual report 2016', April 2016, CentreForum;
www.centreforum.org/publications/education-in-england-annual-report-2016.

Proposed Service Outline:

Advice clinics for parents/families – Supports parents directly, prevents inappropriate referrals and gives early help/advice to families

- To be delivered from children centres, schools, EY providers depending on need. Frequency, duration and locality to be determined
- Potential for drop in sessions to be configured alongside Health Visitor clinics

Screening clinics - To determine levels of need and next steps & interventions

- Advice & review
- Request for service to children centre services
- Further appointment required for additional detailed assessment
- Referred to speech and language group, speech sound, attention & listening
- SLTA support to mainstream nursery/childminder

Training and support to Early years practitioners

- Consistent approach to S&L training across Herefordshire through Eklan, Talk Boost & ECaT. Already rolled out across the majority of EY settings, some schools and across children centre services. This will support and feed into the proposed development of a wider strategic S&L strategy across Herefordshire
- Mentoring sessions to staff
- Using ECaT model/tool opportunity to audit EY environment/settings to support and create a communication environment.
- Information, Advice & Guidance around Health promotion promoted and cascaded through leaflets, signposting etc.

Service specifics:

1 x part-time band 8a Speech and Language Therapy Co-ordinator (3 days per week)

The post holder would benefit from having proven experience of:

- Co-ordinating of early intervention programmes
- Co-ordinating of Speech and Language Therapy services
- Providing mentoring and supervision
- Implementation of outcome measures
- Experience of managing budgets
- Eklan tutor status and Talk Boost tutor status
- Delivering training

1 x full-time band 6 Speech and Language Therapist

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1 x full-time band 5 Speech and Language Therapist

3 x full-time band 3 Speech and Language Therapy Assistants

- All post holders to have early years experience and knowledge of EYFS
- Experience of working in partnership with early years settings
- Knowledge of Elklan and Talk Boost would be desirable
- Delivering 1:1 and small group interventions
- Modelling activities to other practitioners/parents
- All post holders to be able to meet the travel requirements of the post as location of work may vary dependent on need

Outcomes:

- Children are school ready and able to access the curriculum
- Children identified at the 2.5 yr integrated review with S&L delay is screened and supported with an intervention
- Children have improved communication and improved outcomes
- Children have been identified and targeted as needing early S&L support and an intervention put in place
- A consistent approach to early years speech & language is embedded across Herefordshire by professionals and reinforced at Leaders & Managers briefings to EY settings.

Proposal that £200,000 be spent on the delivery of training /conferences to early years practitioners & parents around specific identified gaps e.g. Literacy, Phonics, Numeracy

- Training opportunities through the delivery of 2/3 x conferences
- Conferences focus on the known identified gaps in children's learning and development which hinder them in becoming "school ready"
- Phonics, Numeracy, speech & language

Proposal that £100,000 be considered to support Infant Mental Health PIP project (perinatal programme) for children 0-2 years

The Perinatal Support Project (PSP) grew from evidence on the benefits of providing social support to women assessed as vulnerable to perinatal depression. It was established in 2010 and completed in July 2013. Perinatal depression is an important issue for society – the research carried estimates that the cost to society in England and Wales to be in the order of £630m per year.

The term 'perinatal' is defined as 'pertaining to the period immediately before and after birth' (i.e. generally starting at around the 20th to 28th week of gestation and ending around four weeks after birth). The PSP comprises a service, during the perinatal period and continuing as needed up to the infant's first birthday, for mothers who are either affected by, or at risk, of postnatal depression and other mental health problems.

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Postnatal depression is recognised as an important marker of the mother's risk for subsequent depression and her child's risk for later depression and educational attainment. There is also evidence that children can develop longer-term behavioural problems.

The £100k over 3 years will be matched by PIP UK. Therefore £200k would enable access for 100 families – 0-2 years and Public Health would allocate a 0.8 Wye Valley Trust Health Visitor.

The therapy is with a psycho therapist and therefore specialist.



Meeting:	Schools forum
Meeting date:	21 October 2016
Title of report:	Membership of schools forum
Report by:	Governance services

Classification

Open

Key Decision

This is not an executive decision.

Purpose

To review the membership of the Schools Forum and the Budget Working Group.

Recommendation(s)

THAT:

- (a) it be noted that no amendment to the membership of the Forum is required, as set out at Appendix 1; and
- (b) it be agreed that no amendment to the membership of the Budget Working Group is required, as set out in appendix 1.

Alternative options

- 1 The Forum could recommend a change to the Forum's composition amending the number of representatives.

Reasons for recommendations

- 2 The Regulations contain a requirement that primary schools, secondary schools and academies must be broadly proportionately represented on the Forum. The recommendations address this requirement.

Key considerations

- 3 The Schools Forums (England) Regulations 2012 contain a requirement that primary schools, secondary schools and academies must be broadly proportionately represented on the Forum.

Further information on the subject of this report is available from
Tim Brown, Democratic Services Officer, on Tel (01432) 260239

- 4 The Forum's Constitution provides that the term of office of representatives is three years, running from 1 September to 31 August. In the event that a member of the Forum ceases to hold the office, the term of office ceases and another appointment must be made. The replacement will serve the remainder of the term. The terms for all current members are taken to have commenced on 1 September 2015 and will end on 31 August 2018.
- 5 It was, however, decided that the membership of the Forum would be kept under annual review to provide flexibility to ensure that broad proportionality of primary schools, secondary schools and academies was maintained. The three year term of office would be subject to this annual review. This is consistent with the Department for Education Guidance that, "The term of office should not be of a length that would hinder the requirement for the structure of Schools Forum to mirror the type of provision in light of the pace of academy conversions."
- 6 The relevant Regulation makes no distinction between primary phase and secondary phase academies. The guidance states that Free Schools are classed as academies for the purpose of this exercise. The calculations of proportionality set out below have been made on that basis. The figures are taken from the January 2016 census.
- 7 Based on the proportionate number of registered pupils (as at the January 2016 census), the numbers of member places (to the nearest whole number) to be filled by primary schools, secondary schools and academies, are:
- Maintained Primary $9,932/22,756 = 43.6\% \times 16 = 7$
- Maintained Secondary $3,290/22,756 = 14.5\% \times 16 = 2$
- Academies $9,534/22,756 = 41.9\% \times 16 = 7$
- 8 It is therefore proposed that no change is made to the current, proportionate schools representation, as shown at Appendix 1.

Membership of the Budget Working Group

- 9 Regulations prescribe how the Forum itself is to be constituted. These provisions do not apply to the composition of the Budget Working Group. That is a matter for the Forum itself. The Forum agreed in October 2012 that representative bodies be invited to submit nominations to serve on the Budget Working Group on the basis that the Group will consist of 14 Members with the 11 places available to primary schools, secondary schools and academies, (taking account of the 2 early years places and 1 special schools place) to be allocated on a broadly proportionate basis based on pupil numbers in each category. The Forum also agreed that there should be a minimum of one maintained school representative from the secondary sector and one academy representative from the primary school sector.
- 10 Using the figures from the January 2016 census produces an allocation of places as follows:
- Maintained Primary $9,932/22,756 = 43.6\% \times 11 = 5$
- Maintained Secondary $3,290/22,756 = 14.5\% \times 11 = 1.59$ (propose 2 places as currently)
- Academies $9,534/22,756 = 41.9\% \times 11 = 4.61$ (propose 4 places as currently)

- 11 Technically, by a very narrow margin, it could be argued that the academy representation could increase at the expense of one maintained secondary school place. It is reiterated, however, that proportionality is not required to apply to the BWG and it is therefore proposed that the current representation is maintained.

Community impact

- 12 None

Equality duty

- 13 There are no implications.

Financial implications

- 14 None.

Legal implications

- 15 The Department for Education publication: Schools Forums: Operational and Good Practice Guidance - March 2015 indicates that the responsibility for establishing Schools Forums rests with the Local Authority. This reflects the Schools Standards and Framework Act 1998 and the Schools Forums (England) Regulations 2012 (the Regulations).
- 16 The proposals comply with provisions in the Regulations and guidance governing membership.

Risk management

- 17 Failure to comply with the Schools Forums (England) Regulations 2012 in terms of membership, minimum statutory requirements and broadly proportional representation could leave the Local Authority open to legal challenge. This report makes recommendations to mitigate that risk.

Consultees

- 18 None

Appendices

Appendix 1 - Membership of the Schools Forum and the Budget Working Group

Background papers

- None identified.

Schools Forum Membership

Schools Members

- 5 maintained primary schools' headteacher representatives
- 1 Local Authority maintained schools' with a maintained nursery class representative
- 1 maintained primary schools' governor representative
- 1 maintained secondary schools' headteacher representative
- 1 maintained secondary schools' governor representative
- 1 Local Authority maintained special schools' headteacher representative
- 1 special schools' governor representative
- 1 Pupil Referral Units' (PRUs) management committee representative
- 7 academies' representatives (headteacher/governor/schools business manager)

Non Schools Members

- 1 16-19 provider representative
 - 2 Early Years representatives
 - 2 Diocesan/faith representatives
 - 2 Trade Union representatives, 1 primary school and 1 secondary school
- Total Forum members: 26

(Forum agreed in October 2015 that following disbandment of the 14-19 partnership the membership would stand for the time being at 26 rather than 27, with consideration of a permanent reduction in the Forum's membership to 26 to be reviewed in the light of the work of task and finish groups.)

Budget Working Group

- 5 Maintained Primary Schools
- 2 Maintained Secondary Schools
- 4 Academies (1 primary 3 secondary)
- 2 Early Years Representatives
- 1 Special school Representative

MEETING:	Schools forum
DATE:	21 October 2016
TITLE OF REPORT:	Work programme
REPORT BY:	Governance services

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To consider the Forum's work programme.

Recommendation

THAT: the Work Programme be noted, subject to any comments the Forum wishes to make.

Herefordshire Schools Forum – Work Programme 2016

Friday 2 December 2016 (9.30 am)

- Update on DfE stage 2 consultation papers on National School Funding Formula/High Needs & Education Services Grant
- Response to Herefordshire schools budget consultation re 2017/18 schools budget and ESG proposals
- Looking to the Future Proposals from Task and Finish Groups:
 - Capital (Andy Hough)
 - High Needs (Les Knight/Sara Catlow-Hawkins)
- Workplan
- Dates of Meetings
- *(Report on Forum's Constitution – subject to timing of response from DfE to Consultation on National Funding Formula)*

Further information on the subject of this report is available from
Tim Brown, Governance Services on (01432) 260239

Friday 13 January 2017 (9.30 am)

- Dedicated Schools Grant settlement and proposed schools budget 2017/18 (to comply with DfE national formula)
- High needs budget proposals for 2017/18
- Workplan
- Dates of Meetings

Friday 10 March 2017 (9.30 am)

- Workplan
- Dates of Meetings

Background Papers

- None identified.